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DEPARTMENT OF ADMINISTRATION ORGANIZATIONAL CIRCULAR NO.: 2026-011

To: All Line Agencies & Department Heads

From: Director of Administration

Subject: Annual Leave Balance at the beginning of each Fiscal Year

Buenas yan Hafa Adai!

This circular serves as notice regarding the required correction of excess Annual Leave Balances based on the OAG Opinion REF No. AG 25-0508 issued by the Office of the Attorney General on October 10, 2025.

The Attorney General's opinion finds that Department of Administration Circular No. 07-036 dated August 8, 2007, to be in error. His opinion is that carrying over an annual leave balance of more than 320 hours (except in certain specific exemptions permitted by statute) does not comply with Guam law. He instructs that any leave in excess of these statutory limitations should not be recorded or paid. He warns that Government of Guam officials may be subject to criminal prosecution or be liable for civil penalties if they do not follow this guidance.

There are three exceptions to this rule:

1. Employees who had accumulated more than 320 hours of annual leave before February 28, 2003. These excess hours are available for use as annual leave but may not be paid as compensation at the time of retirement or termination of service.
2. Registered nurses employed by Guam Memorial Hospital Authority or Department of Health and Social Services. Employers of such nurses shall attempt to provide the employee who has accumulated in excess of 580 hours, sufficient leave to reduce their accumulated balance to under 580 hours. If the employer cannot provide such leave, the balance in excess of 580 hours is to be paid in the form of compensation and the balance reduced accordingly.
3. Employees working in nursing services at Guam Memorial Hospital Authority or Department of Public Health and Social Services & Peace Officers. These employees may accumulate and use more than 320 hours from one fiscal year to the next.

However, on retirement or termination of employment, the employee may only earn in compensation that equivalent of 320 hours.

All employees may request up to 100 hours of excess annual leave to be transferred to sick leave balances. For employees who do not qualify as one of the three exceptions above, no more than 320 hours may be carried forward into a new fiscal year.

Payroll departments will accordingly make adjustments to leave balances so that such balances on October 1, 2025, comply with this opinion.

Si Yu'os Ma'ase.



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